

PLEASE NOTE: In most BUT NOT ALL instances, the page and line numbering of bills on this web site correspond to the page and line numbering of the official printed version of the bills.

House Engrossed

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
Second Regular Session  
2004

# HOUSE BILL 2587

AN ACT

AMENDING SECTIONS 41-1518.01, 43-1088.01 AND 43-1179, ARIZONA REVISED STATUTES; RELATING TO INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1518.01, Arizona Revised Statutes, is amended to  
3 read:

4 41-1518.01. Technology training assistance; program termination

5 A. The department of commerce shall establish an employer assistance  
6 program to encourage employers in this state to provide their employees with  
7 continuing technology skills training.

8 B. The department of commerce shall identify information technology  
9 skills and occupations that are in short supply and that are critical to  
10 economic development in this state.

11 C. The department of commerce shall identify and certify to the  
12 department of revenue technology skills training programs for purposes of  
13 available tax incentives. A technology skills training program shall be  
14 offered by an accredited OR STATE CERTIFIED college, university, private  
15 career school or other postsecondary educational institution and shall  
16 provide training in information technology workplace disciplines or other  
17 skills that the department of commerce determines are in short supply and  
18 critical to economic development in this state.

19 D. The program established by subsection A of this section ends on  
20 January 1, 2006 pursuant to section 41-3102.

21 Sec. 2. Section 43-1088.01, Arizona Revised Statutes, is amended to  
22 read:

23 43-1088.01. Credit for technology training; definition

24 A. For tax years beginning from and after December 31, 2000 and ending  
25 before January 1, 2006, a credit is allowed against the taxes imposed by this  
26 title for expenses incurred by the taxpayer for providing qualified  
27 technology skills training to not more than twenty of the taxpayer's  
28 employees.

29 B. The amount of the credit is equal to fifty per cent of the amount  
30 actually spent during the calendar year for the cost of training but not more  
31 than one thousand five hundred dollars per employee.

32 C. To receive a tax credit under this section, a taxpayer must apply  
33 to the department of commerce, on a form prescribed by the department of  
34 commerce, on or before January 15 following the calendar year in which the  
35 expenses were incurred. On or before February 15 of that same year, the  
36 department of commerce shall review and determine the amount of the credit  
37 for each taxpayer and issue a certificate to each qualifying applicant  
38 stating the amount of the credit. The taxpayer shall claim the credit on the  
39 next tax return filed after receiving the certificate from the department of  
40 commerce. The department of commerce shall not certify tax credits under  
41 this section in any calendar year exceeding two million five hundred thousand  
42 dollars. ~~If qualifying applications exceed two million five hundred thousand~~  
43 ~~dollars, the department of commerce shall proportionately reduce the amount~~  
44 ~~of the credit allowed each taxpayer.~~

1 D. If the allowable tax credit exceeds the taxes due under this title  
2 on the claimant's income, or if there are no taxes due under this title, the  
3 amount of the claim not used to offset the taxes under this title shall be  
4 paid in the same manner as a refund granted under section 42-1118. Refunds  
5 made pursuant to this section are subject to setoff under section 42-1122.

6 E. Co-owners of a business, including partners in a partnership and  
7 shareholders of an S corporation, as defined in section 1361 of the internal  
8 revenue code, may each claim only the pro rata share of the credit allowed  
9 under this section based on the ownership interest. The total of the credits  
10 allowed all of the owners shall not exceed the amount that would have been  
11 allowed for a sole owner.

12 F. For THE purposes of this section, "qualified technology skills  
13 training" means a training program that is certified by the department of  
14 commerce under section 41-1518.01.

15 Sec. 3. Section 43-1179, Arizona Revised Statutes, is amended to read:

16 43-1179. Employer credit for technology training; definition

17 A. For tax years beginning from and after December 31, 2000 and ending  
18 before January 1, 2006, a credit is allowed against the taxes imposed by this  
19 title for expenses incurred by the taxpayer for providing qualified  
20 technology skills training to not more than twenty of the taxpayer's  
21 employees.

22 B. The amount of the credit is equal to fifty per cent of the amount  
23 actually spent during the calendar year for the cost of training but not more  
24 than one thousand five hundred dollars per employee.

25 C. To receive a tax credit under this section, a taxpayer must apply  
26 to the department of commerce, on a form prescribed by the department of  
27 commerce, on or before January 15 following the calendar year in which the  
28 expenses were incurred. On or before February 15 of that same year, the  
29 department of commerce shall review and determine the amount of the credit  
30 for each taxpayer and issue a certificate to each qualifying applicant  
31 stating the amount of the credit. The taxpayer shall claim the credit on the  
32 next tax return filed after receiving the certificate from the department of  
33 commerce. The department of commerce shall not certify tax credits under  
34 this section in any calendar year exceeding two million five hundred thousand  
35 dollars. ~~If qualifying applications exceed two million five hundred thousand~~  
36 ~~dollars, the department of commerce shall proportionately reduce the amount~~  
37 ~~of the credit allowed each taxpayer.~~

38 D. If the allowable tax credit exceeds the taxes due under this title  
39 on the claimant's income, or if there are no taxes due under this title, the  
40 amount of the claim not used to offset the taxes under this title shall be  
41 paid in the same manner as a refund granted under section 42-1118. Refunds  
42 made pursuant to this section are subject to setoff under section 42-1122.

1           E. Co-owners of a business, including corporate partners in a  
2 partnership, may each claim only the pro rata share of the credit allowed  
3 under this section based on the ownership interest. The total of the credits  
4 allowed all of the owners of the business shall not exceed the amount that  
5 would have been allowed for a sole owner of the business.  
6           F. For THE purposes of this section, "qualified technology skills  
7 training" means a training program that is certified by the department of  
8 commerce under section 41-1518.01.